


From: Vicki Christophersen [REDACTED] 
Subject: HB 1790
Date: February 16, 2023 at 8:01 AM



To: [REDACTED]

Good morning Rep. Enetman and members of the Regulated Substances and Gaming Committee,

I am writing to provide the position of the [Washington Cannabusiness Association \(WACA\)](#) on House Bill 1790.

As an association, WACA has been unequivocal on its stance specific to social equity in cannabis and our core values remain unchanged. We are supportive of the work underway to address systemic inequity in the cannabis industry. From a public policy point of view, we have offered input on specific equity-focused legislation for consideration since 2021. Today, and since 2014, WACA supports legislation and regulation that supports a safe, quality-controlled, and well-regulated market for cannabis that works to keep products from kids and keeps its eye on the horizon for what's next in the industry. Our remarks on HB 1790 are grounded by that approach. Thank you for your diligence in this work.

WACA is signed in "other" on HB 1790. With a couple remaining changes, we would like to move to support. We respect that whether it occurs as a result of this bill, or any other that codifies the years of diligent work by the Washington State Legislative Task Force on Social Equity in Cannabis (SECTF) and others, cannabis licenses will be issued as an outcome necessary to create a more diverse and equitable industry in Washington. This letter describes specific clarifications we believe should be expressed in any final legislation:

- **Retail license portability.** This bill is expected to create about 50 new retail licenses for social equity. It recognizes that new retail licensees will need to have some flexibility in where they locate their stores given the limited availability of complaint locations. Our members understand that. We do, however, believe there needs to be some level of regulation included in the bill to ensure that large portions or clusters of these new licenses do not end up in the same area. This type of saturation in certain areas will cause challenges for the new licenses viability and have the potential to raise concerns from the community. Our belief is that the licenses should be allocated in the counties that saw population growth between 2010 and 2020. I have attached to this email a spreadsheet that could assist with development if such provision. Additionally, provisions should be included that ensure adequate distance between licenses.
- **Producer/Processor Licenses:** WACA supports the redistribution of forfeited or revoked processor licenses as described in HB 1790. However, we have significant concerns specific to producer licenses (growers) and the reality of oversupply of cannabis. It is widely known that in today's closed market in Washington, we have a significant oversupply of cannabis flower. This has driven prices to an all-time low and is threatening the viability of many producers. While the industry continues to weather declines preceded by sudden growth (pandemic year), any policy that further undermines Producers by opening Washington's market to widespread growing is one of which we

urge careful consideration. For HB 1790, we recommend that issuance of forfeited or revoked licenses is limited to processor licenses only, to limit cannabis production that would be well over what the market will safely bear. Without care to this real-life challenge – which is unfortunately occurring already – prices will remain at unsustainably low levels, a condition that will impact the industry in this state, weakening it in the face of competition from beyond our borders. Issuing more producer licenses should only happen when we have a legal, national marketplace that can support more product.

WACA was established ten years ago. We have been deeply engaged in cannabis policymaking ever since, in relentless pursuit of a system that would withstand scrutiny from a skeptical federal government – and state regulatory agency – and earn the public’s trust for an industry that has been misunderstood and villainized for decades. Every year, the national and global landscape drives the stakes higher for our sector even while its decade-old challenges have evolved very little. It is from this point of view that we offer this letter in good faith for your consideration. We remain open to collaboration and working with all to move this industry and our state forward.

Respectfully submitted,



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